



MEMBER NEWS

Winter 2006

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Retirement Board

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Vice Chair
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Member
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Tina M. Leiss
Operations Officer
Laura B. Wallace
Investment Officer

Safeguarding PERS' Assets

A natural question regarding the \$18.2 billion PERS' fund is, "Where is the money?". PERS' portfolio includes over 4,000 domestic and international stocks and bonds. The majority of these securities are held in accounts at the Bank of New York (BNY). BNY is a large institutional bank that was founded in 1784, and currently administers over \$7 trillion in total assets.

The Retirement Board retains 27 external managers to make individual investment decisions on a day to day basis. While each of PERS' investment managers has the authority to buy and sell securities, they do not hold the assets. The assets are housed within accounts at the Bank of New York, and ownership is maintained through an institution called the Depository Trust Company (DTC). The DTC is a member of the Federal Reserve System, and electronically tracks the ownership and transfer of over 2 million securities, including all publicly traded stocks and bonds held by institutions and individual investors.

BNY keeps separate electronic records for each of PERS managers' holdings. To ensure the assets are properly accounted for, the bank

reconciles securities, prices, and outstanding trades with the investment managers on a daily basis.

Last year, for all of its clients, the Bank of New York processed over 55 million electronic transactions. To support their technology infrastructure, the bank spends nearly \$600 million annually on maintenance and upgrades to their electronic systems. BNY also maintains an extensive disaster recovery system, including backup computers and off-site office facilities.

BNY employs numerous fraud protection systems, including procedures that incorporate checks and balances between individual bank personnel and departments. They also undergo financial and internal control audits by federal agencies and independent auditors. Finally, PERS separately retains an independent auditor to review our holdings and transactions.

While we utilize state of the art systems to protect the assets of the Retirement System, PERS, the bank and our auditors continue to work together to enhance the safekeeping of our assets. ■

Understanding Your Survivor Benefits

If you passed away prior to retirement, would your eligible survivors receive a lifetime benefit from PERS? They would, if you have a completed Survivor Beneficiary Designation form on file with PERS, and have met the following eligibility requirements:

- You had two years of service in the two and one-half years immediately preceding your death; or
- You had more than 10 years of accredited service; or
- Your death was caused by an occupational disease or an accident arising out of or in the course of your employment, regardless of service credit.

Your eligible survivors include:

- Your spouse
- Your Survivor Beneficiary and any Additional Payees
- Your dependent children under age 18
- Your dependent parents, provided there are no other eligible survivors at the time of your death

Under Nevada law, if you are married at the time of your death and have met the eligibility requirements for survivor benefits, your Spouse and any dependent children under the age of 18 would receive survivor benefits. Your Spouse would receive a lifetime benefit based on your years of service at the time of death, and each dependent child under the age of 18 would receive \$400 per month. Dependent Child benefits can continue to age 23 as long as the child is enrolled as a full-time student at an accredited school or university.

Your Survivor Beneficiary can be anyone you choose. Please do not name your Spouse as your Survivor Beneficiary. As mentioned above, under Nevada law, if your Spouse survives you, they will automatically receive a lifetime benefit. The Survivor Beneficiary and Additional Payees would only be paid if you are not married at the time of death or you and your spouse die simultaneously.

You can choose to split the benefit between multiple survivors by naming Additional Payees. The named Survivor Beneficiary and Additional Payees will receive payment based on percentages you designate. All benefits will cease upon the death of the Survivor Beneficiary. If an Additional Payee dies, the benefit amount would be redistributed among the remaining payees.

Below are examples of how PERS would distribute Survivor Benefits to your spouse, survivor beneficiary, additional payee(s) and/or dependent children.

#1 - A divorced member with 20 years of service and one dependent child, age 10. This Member has a completed Survivor Beneficiary Designation form on file with PERS listing his child as a Dependent Child and also named the same child as Survivor Beneficiary. In this case, if this Member dies prior to retirement, his dependent child would receive a Dependent Child benefit of \$400 per month until the age of 18 or 23 **and** a calculated Survivor Beneficiary benefit for the rest of the child's life.

In contrast, if this Member did not name this child as Survivor Beneficiary, only the \$400 a month Dependent Child benefit would be paid.

#2 - A married member with 15 years of service and two dependent children, ages 3 and 7. This member has a completed Survivor Beneficiary Designation form on file with PERS listing her Spouse and Children under the Family Beneficiary Information. She also completed the Survivor Beneficiary Designation section listing her 7-year-old child as the Survivor Beneficiary to receive 50% and her 3-year-old child as the Additional Payee to receive 50%. In this example, if the member and spouse die simultaneously, each child would receive a Dependent Child benefit of \$400 per month until the age of 18 or 23 **and** would split the calculated Survivor Beneficiary benefit for the rest of the Survivor Beneficiary child's life.

If the member did not name her children as Survivor Beneficiary and Additional Payee, they would not receive the lifetime benefit.

PERS Does Not Endorse Financial Advisors

Many of you have either seen advertisements in newspapers or received notices in the mail announcing retirement seminars that appear to be conducted by the Public Employees' Retirement System. These seminars are offered by financial advisors and are not endorsed by PERS. Many of the ads and notices indicate that the company specializes in PERS so at first glance it appears that the program is PERS sponsored.

PERS does not endorse any financial advisors, and our trained staff present educational programs to our members at our Carson City and Las Vegas offices or through their respective public employers. If you have questions relating to whether a program is PERS sponsored, please call our Counseling Services Center at 1-866-473-7768.

In-House Programs:

- ◆ March 9; 4:00 – Carson City PERS Office
- ◆ March 9; 12:00 & 4:00 – Las Vegas PERS Office
- ◆ April 13; 4:00 – Carson City PERS Office
- ◆ April 13, 12:00 & 4:00 – Las Vegas PERS Office
- ◆ May 11; 4:00 – Carson City PERS Office
- ◆ May 11; 12:00 & 4:00 – Las Vegas PERS Office

Phone System Upgrades

In continuing PERS' commitment to provide accurate and timely service, we have added improvements to our existing telephone system. In December 2005, upgrades were completed to unite our Carson City and Las Vegas phone systems. All PERS incoming calls are directed to a phone center in our Carson City office, the call is then answered in the order it was received.

By joining PERS' Carson City and Las Vegas phone systems into one centralized call center we now have more staff available at any one time to as-

sist you. The phone center is staffed with trained Counselors and Technicians from both our Carson City and Las Vegas offices. While you are waiting to speak to a PERS representative you will hear current announcements and other valuable information.

In the month of December the call center assisted 4,086 callers with an average wait time of 1.01 minutes. ■



PERS Contact Information



Las Vegas (702) 486-3900
 Reno or Carson City (775) 687-4200
 Toll Free 1-866-473-7768



www.nvpers.org



693 W. Nye Lane, Carson City, NV 89703
 5820 S. Eastern Ave., Suite 220, Las Vegas, NV 89119



FAX

(775) 687-5131
 (702) 678-6934

Understanding Your Survivor Benefits (continued)

We strongly encourage all members, married or unmarried, to have a completed Survivor Beneficiary Designation form on file with our office. In order for PERS to process the form, you must complete all three parts of the form: Member Information, Family Beneficiary Information, Survivor Beneficiary Designation and the (Tertiary) Beneficiary Information. Be sure to include the Social Security Number and Date of Birth of everyone listed.

The Survivor Beneficiary Designation form is available on our website at www.nvpers.org or you may contact us at 1-866-473-7768. ■

Retirement Board Meeting Dates

February 15, 2006 • 693 W. Nye Lane, Carson City
 March 22, 2006 • 693 W. Nye Lane, Carson City
 April 19, 2006 • 5820 S. Eastern Ave, Suite 220, Las Vegas
 May 10, 2006 • 693 W. Nye Lane, Carson City
 June 21, 2006 • 693 W. Nye Lane, Carson City
 July 19, 2006 • 5820 S. Eastern Ave, Suite 220, Las Vegas

This publication is intended to provide general information. If there is any conflict between this information and Nevada laws or PERS policies, the laws and policies will supersede this information.

Member News is a quarterly newsletter for members of the Public Employees' Retirement System of Nevada. Comments or suggestions may be directed to: PERS, Newsletter, 693 W. Nye Lane, Carson City, Nevada 89703

Coming To An Area Near You!

This spring, PERS representatives will be traveling throughout Nevada to conduct individual counseling sessions. The tentative schedule follows:

March	—	Fernley
April	—	Elko Wells Yerington Hawthorne Virginia City Dayton Beatty Tonopah
May	—	Caliente Pioche Eureka Ely

Watch for additional information from your employer.

NV PERS
 693 W. Nye Lane
 Carson City, NV 89703
 (775) 687-4200

We're on the Web!
www.nvpers.org